

CITY OF NEWTON

IN BOARD OF ALDERMEN

**Resolution in Support of Massachusetts House Bill H.2870  
Concerning Lost and Unaccounted For Gas**

2015

**WHEREAS;** “Unaccounted For Gas” (UFG) or “Lost And Unaccounted For Gas” (LAUF) represents the difference between the total gas from all sources and the total gas accounted for as sales, interchange, and use and includes leakage or loss by other means, discrepancies in measuring or monitoring, variations of temperatures or pressures and other variant, and

**WHEREAS;** The cost of UFG is typically passed down from providers to consumers, creating a burden on ratepayers due to excessive levels of lost and unaccounted for gas, and

**WHEREAS;** Leaking gas is a public safety hazard, and

**WHEREAS;** Leaking gas in the ground is harmful to vegetation and can kill valuable shade trees by depriving roots of oxygen, and

**WHEREAS;** In the City of Newton alone, there are 220 street trees that have been removed and 190 street trees damaged as a result of identified unrepaired gas leaks in Newton; and

**WHEREAS;** Massachusetts House Bill H.2870, “An Act relative to protecting consumers of gas and electricity from paying for leaked and UFG”, seeks to protect all gas and electricity customers from paying for UFG,

**WHEREAS;** House Bill H.2870 will provide economic incentives to gas providers to mitigate loss, encourage development of improved technologies and practices, as well as reductions in heat-trapping gasses released during transportation, distribution, and storage, which have an impact on global warming.

**THEREFORE, BE IT RESOLVED,**

That the Newton Board of Aldermen supports H.2870, and

**BE IT FURTHER RESOLVED,**

That the Clerk of the Board of Aldermen forward a copy of this Resolution to the elected Newton delegation in the House and Senate as well as House Speaker Robert A. DeLeo and Senate President Stanley C. Rosenberg on behalf of the entire Board of Aldermen.

A Resolution in support of MA House Bill 2870; An Act relative to protecting consumers of gas and electricity from paying for leaked and unaccounted for gas.

The purpose of the bill is to protect consumers, and to create economic incentives for utility companies to replace and repair leaky pipes, while also pushing development of improved technology and practices to mitigate loss of methane, a potent heat trapping green house gas. Currently gas companies have little incentive to replace leaky pipes, because they are able to pass along the cost of lost and unaccounted for gas to consumers (LAUG).

**It is important to note that this bill still allows for utilities to charge consumers for costs of infrastructure improvements, and they may increase rates to help cover the costs of repair, but it prohibits passing on the costs of unaccounted for gas to ratepayers.**

Massachusetts ratepayers paid between \$640 million to \$1.5 billion from 2000-2011 for gas that never reached their homes and businesses. At least 99 billion cubic feet of natural gas was "lost and unaccounted for" in Massachusetts from 2000-2011, according to data reported by utilities to the Massachusetts Department of Public Utilities (DPU). The cost of this unaccounted for gas—\$640 million to \$1.5 billion, according to calculations performed for this report—was passed on to the commonwealth's approximately 1.5 million residential, commercial and other customers.

In 2010, according to analysis by the Conservation Law Foundation, the statewide natural gas efficiency program saved 1,097 million cubic feet (MMcf) of natural gas. However, the analysis also found that in the same year, MA's leaky gas distribution pipes lost at least 1,725 MMcf.

"We are losing more on the distribution than we are saving [through energy efficiency practices], and customers are still paying for those losses" (Shanna Cleveland, CLF 2012). In fact, customers are currently being charged for both – paying into the energy efficiency savings pool and paying for the lost gas."

It is also important to note that Massachusetts DPU is ultimately responsible for the regulation of natural gas and its infrastructure throughout the Commonwealth of MA. The DPU already meters and monitors gas pipelines. The bill is prescribing regulations that would be proposed, promulgated, carried out, and enforced by the DPU. It is also consistent with DPU policies that promote the reduction of methane emissions and reduce the costs of lost and unaccounted for gas. The DPU would be responsible for administering the bill requirements including the calculation of the percentage of lost and unaccounted for gas and allowing the Maximum Allowable Loss as a Percent of UFG per System Type.

The bill has 51 sponsors including Sen. Creem and Reps. Balser & Khan, and at least 5 other communities have already passed such a resolutions, including Cambridge, Waltham, Somerville, Framingham and Northampton.

The discussion in the joint PF/ P & S meeting on July 15th included the **astounding news from the Fire Chief that there are between three and four Grade 1 leaks in the city per week!**

Members of both Committees requested that the Administration request that National Grid provide an overall plan for Newton. The city's Public Works Department and National Grid are sharing their five-year construction plan to coordinate work.

It was suggested that the Board of Aldermen request that the Administration establish a working group to address the gas leaks.

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